

May 8, 2018

Via Electronic Filing

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: *Connect America Fund Phase II Auction, AU Docket No. 17-182, and Connect America Fund, WC Docket No. 10-90*

Dear Chairman Pai:

Upon review and close consideration, Space Exploration Technologies Corp. ("SpaceX") has opted not to participate in the Commission's upcoming Connect America Fund II ("CAF II") reverse auction, which is designed to allocate universal service funds for broadband deployment in rural and remote areas. To be clear, SpaceX's planned satellite constellation will provide exactly this service, enabling affordable broadband services to rural and remote areas across the country – and around the world. SpaceX believes that it is more effective to leverage advanced technology and smart private sector infrastructure investment to reach America's unserved and underserved population, rather than seek Government subsidization for this effort.

SpaceX greatly appreciates the Commission's recent licensing of its satellite constellation, and the underlying recognition that new satellite constellations operating close to the Earth can have a profound impact on the nation's access to broadband. As you have said, the "use case is particularly compelling in remote and hard-to-serve areas."

SpaceX applauds the Commission for revising certain of the CAF II auction rules to make the program more accessible for satellite-based broadband providers. Nevertheless, new satellite approaches, like the SpaceX constellation, upend the assumptions that serving rural and remote areas of the United States and worldwide must necessarily be "high cost" or require Government support to close a successful business case. Those 23 million Americans who are not now connected, as well as those who are not reliably connected, are best served by a competitive market of service providers using technology platforms that are optimized to reach them cost-effectively. Innovation in space and ground technology will drive the cost of connectivity downward, ultimately reducing the need for taxpayer involvement in ongoing broadband expansion.

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SpaceX looks forward to working with you and the Commission in the months and years to come to consider how best to spur innovation in connectivity platforms and promote technology designed to connect all of America.

Respectfully,

A handwritten signature in black ink, reading "Patricia Cooper". The signature is fluid and cursive, with the first name "Patricia" being more prominent than the last name "Cooper".

Patricia Cooper
Vice President of Satellite Government Affairs

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cc: Ms. Marlene H. Dortch, Secretary, Federal Communications Commission

The SpaceX logo, featuring the word "SPACEX" in a bold, blue, sans-serif font. To the right of the text is a stylized, grey, curved line that represents a rocket's trajectory or a wing, extending from the end of the word "SPACEX" and curving upwards and to the right.